

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**

Wednesday, November 19, 2003 – 8:00 a.m. – Room 403 State Capitol

Members Present:

Sen. Parley G. Hellewell, Senate Chair
Rep. Katherine M. Bryson, House Chair
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Dan R. Eastman
Sen. Thomas Hatch
Sen. Ed P. Mayne
Rep. J. Stuart Adams
Rep. Jeff Alexander
Rep. Jackie Biskupski
Rep. Craig W. Buttars
Rep. David Clark
Rep. Stephen D. Clark
Rep. Carl W. Duckworth

Rep. James A. Dunnigan
Rep. Ben C. Ferry
Rep. Neil A. Hansen
Rep. Todd E. Kiser
Rep. Michael T. Morley
Rep. R. Curt Webb

Members Absent:

Sen. Gene Davis

Staff Present:

Ms. Mary Catherine Perry, Policy Analyst
Ms. Patricia Owen, Associate General
Counsel
Ms. Tracey Fredman, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://le.utah.gov> or by contacting the committee secretary at 538-1032.

1. Committee Business

Chair Hellewell called the meeting to order at 8:00 a.m.

MOTION: Sen. Bramble moved to approve the minutes of the October 14, 2003 meeting. The motion passed unanimously with Sen. Hatch, Sen. Mayne, Rep. S. Clark, Rep. Ferry, and Rep. Morley absent for the vote.

2. Financial Institutions Task Force Report

Rep. Alexander reported on the progress of the Financial Institutions Task Force and potential study items that the Task Force may consider during the next interim.

3. Consideration of Draft Legislation

A. Draft Legislation "Captive Insurance Companies Act Amendments"

Rep. Dunnigan reviewed draft legislation "Captive Insurance Companies Act Amendments," and explained how it provides a vehicle for large business or corporations to insure.

Mr. Neal Gooch, Deputy Insurance Commissioner, talked about the economic opportunities the industry can bring to Utah.

Mr. Chris Purcell, Claim Attorney, State Farm Insurance, said that Rep. Dunnigan had met with representatives from the insurance industry and reported that they had no concerns with the proposed legislation.

MOTION: Rep. Kiser moved to recommend the draft legislation "Captive Insurance Companies Act Amendments." The motion passed unanimously with Sen. Hatch, Sen. Mayne, and Rep. S. Clark absent for the vote.

B. Draft Legislation "Life Insurance Law Amendments"

Rep. Dunnigan reviewed draft legislation "Life Insurance Law Amendments." He said it grants the Insurance Department rulemaking authority and clarifies that a group or blanket life insurance policy may not be delivered unless the insured group is formed for a reason other purchase of insurance.

Mr. John 'Mickey' Braun, Assistant Insurance Commissioner, explained that the bill clarifies provisions related to life insurance.

MOTION: Rep. Buttars moved to recommend the draft legislation "Life Insurance Law Amendments." The motion passed unanimously with Sen. Hatch, Sen. Mayne, and Rep. S. Clark absent for the vote.

C. Draft Legislation "Licensing – Insurance Law Amendments"

Rep. Dunnigan reviewed draft legislation "Licensing – Insurance Law Amendments," outlining some of the provisions of the bill.

Mr. Braun responded to questions from the Committee.

MOTION: Rep. Kiser moved to recommend the draft legislation "Licensing – Insurance Law Amendments." The motion passed unanimously, with Rep. S. Clark absent for the vote.

D. Draft Legislation "Construction Bonding Statutes"

Rep. Morley reviewed draft legislation "Construction Bonding Statutes," explaining that it brings the commercial bond statutes in compliance with lien statutes.

MOTION: Rep. Adams moved to recommend the draft legislation "Construction Bonding Statutes." The motion passed unanimously with Rep. S. Clark absent for the vote.

E. Draft Legislation "Lien Amendments"

Rep. Morley reviewed draft legislation "Lien Amendments," saying that it amends the time frame for consistency of all commercial and residential lien prosecutions, and requires that in case of a lien, the amount claimed be disclosed at the time the lien is filed.

Mr. Chris Kyler, Director of Government Affairs and General Counsel, Utah Association of Realtors, commented on the changes contained in the draft.

Mr. Tasman Biesinger, Executive Vice President, Utah Homebuilders Association, expressed concerns about some language changes in the draft.

Mr. Douglas Griffith, construction law attorney, said that synchronizing commercial and residential lien laws would be good for the industry, and made additional comments about language in the bill.

MOTION: Rep. Morley moved to amend draft legislation "Lien Amendments" as follows:

Page 2, line 39: At the end of line 39 insert "For purposes of this Subsection (1), final completion of the original contract means:
(a) the date of issuance of a permanent certificate of occupancy by the local government entity having jurisdiction over the construction project;
(b) if no certificate of occupancy is required for the construction project by the local government entity having jurisdiction over the construction project, the date of the final inspection by the local government entity having jurisdiction over the construction project; or
(c) if no certificate of occupancy is required and no final inspection is conducted by the local government entity having jurisdiction over the construction project, the date on which there remains no substantial work to be completed to finish the work on the construction project."

Page 3, line 80: At the end of line 80 insert "For purposes of this Subsection (1), final completion of the original contract is as defined in Subsection 38-1-7(1)."

The motion passed unanimously.

MOTION: Rep. S. Clark moved to recommend the draft legislation "Lien Amendments" as amended.
The motion passed unanimously.

F. Draft Legislation "Electronic Filing of Lien Documents"

Rep. Morley introduced draft legislation "Electronic Filing of Lien Documents." No action was taken on this bill.

G. Draft Legislation "Mortgage Act Amendments"

Rep. Harper introduced draft legislation "Mortgage Act Amendments." No action was taken on this bill.

H. Draft Legislation "Requirements for Recording Certain Real Estate Documents"

Rep. David Clark reviewed draft legislation "Requirements for Recording Certain Real Estate Documents," explaining that the bill eliminates the legal description requirement on a full reconveyance of trust deed and full release of mortgage before it can be recorded.

MOTION: Rep. Ferry moved to amend draft legislation "Requirements for Recording Certain Real Estate Documents" as follows:

- Page 1, line 11: After "for a" insert "full"
- Page 1, line 11: After "and" insert "full"
- Page 3, line 84: Insert "FULL" at the beginning of line 84
- Page 4, line 108: Insert "FULL" at the beginning of line 108
- Page 6, line 160: After "apply to a" insert "full"
- Page 6, line 161: After "Deed or" insert "full"

The motion passed unanimously with Sen. Hatch and Rep. Morley absent for the vote.

Mr. Doug Crofts, President, Utah Association of County Recorders, discussed how Utah tracks documents that are filed with county recorders. He explained that if the legal description were taken off the release document there would be no way of knowing what piece of property the release document was tied to other than by going back to the original document.

Mr. Gary Ott, Salt Lake County Recorder, said that the legal description on release documents is critical in helping minimize errors among the documents on record in Salt Lake County.

MOTION: Rep. Alexander moved to recommend the draft legislation "Requirements for Recording Certain Real Estate Documents" as amended. The motion passed with Sen. Mayne, Rep. Biskupski, Chair Bryson, Rep. Duckworth, Rep. Ferry, Rep. Hansen, and Rep. Webb voting in opposition, and Sen. Hatch absent for the vote.

I. Draft Legislation "Requirements of Trustees of Trust Deeds"

Rep. David Clark reviewed draft legislation "Requirements of Trustees of Trust Deeds."

MOTION: Rep. Alexander moved to recommend the draft legislation "Requirements of Trustees of Trust Deeds." The motion passed unanimously.

4. Other Items/Adjourn

MOTION: Rep. Hansen moved to adjourn the meeting. The motion passed unanimously.

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Chair Hellewell adjourned the meeting at 9:50 a.m.